

TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

November 28, 2003

TO: Internal File

FROM: Peter H. Hess, Environmental Scientist III/Engineering, Team Lead

RE: Disturbed Acreage Update, Chapter 1 MRP Information, Canyon Fuel Company, LLC., Dugout Canyon Mine, C/007/039, Task ID #1758

SUMMARY:

The permittee submitted a revision to page 1-25 of the Chapter 1, Legal and Financial Information of the mining and reclamation plan for the Dugout Canyon Mine on October 24, 2003. The purpose of the revision is to update and include, as a part of the disturbed area acreage, the disturbance created by the drilling of the degasification well G-2. Degas well G-2, and wells G-3 and G-1 were approved/incorporated into the MRP by the Division on September 19, 2003. The 0.97 acres of additional disturbance associated with G-3 received an initial permitting review through TASK ID #1748. This revision involves the addition of 1.21 acres associated with degasification well G-2 to the disturbed area acreage for the mine.

TECHNICAL ANALYSIS:

GENERAL CONTENTS

RIGHT OF ENTRY

Regulatory Reference: 30 CFR 778.15; R645-301-114

Analysis:

The permittee submitted revised information on October 24, 2003 to update the disturbed area acreage for the mine by adding the 1.21 acres that were disturbed by the development of degasification well G-2. Thus, the disturbed area of the mine has been increased by 1.21 acres to 51.1 acres, (previous disturbance was 49.9 acres). The revision/additional acreage is discussed on page 1-25 of Chapter 1, Legal and Financial Information, section **114 Right-of-Entry Information**, which starts on page 1-21.

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The additional 1.21 acres is the amount which was permitted to be disturbed, as indicated in **TABLE 1-2, Disturbed Acres by Well Site**, section **114, Right-of Entry Information**, page 1-5 of the submittal to permit the three degasification wells, **TASK ID #1642**.

Findings:

The proposed revision meets the minimum regulatory requirements of this section.

OPERATION PLAN

MAPS, PLANS, AND CROSS SECTIONS OF MINING OPERATIONS

Regulatory Reference: 30 CFR Sec. 784.23; R645-301-512, -301-521, -301-542, -301-632, -301-731, -302-323.

Analysis:

Mining Facilities Maps

This analysis will pertain to the maps that are required under the Minimum Regulatory Requirements for identification of location purposes and their relationship to Bonding and Insurance Requirements. The maps described below reflect both affected area, and the mining facilities that were determined to be necessary.

Minimum Regulatory Requirements (under 30 CFR Sec.800; R645-301-800, et seq.)

“The operator shall identify the initial and successive areas or increments for bonding on the permit application map...”

As part of the permitting process for the development of the degasification wells (TASK ID#1642) the permittee submitted a revised Plate 1-4, DUGOUT CANYON MINE PERMIT AREA, which depicts the surface area and topography of all lands which will be potentially impacted by underground coal mining operations (i.e., subsidence, or impacts due to subsidence). Plate 1-4 also identifies the following facilities that are part of the Dugout Canyon Mine operation; the waste rock facility, the pipeline/leach field area, and the three degasification wells permitted via approval of TASK ID#1642. Thus, the location of T13S, R12E, Section 24 for G-2 is accurately depicted on the permit area map.

As part of the TASK ID#1642 submittal, the permittee submitted Figure 5-5, Contour Map for well G-2. This depicts the “affected area” of disturbance created by the development of well G-2.

Page 1-25 of Chapter 1, Legal and Financial Information of the Dugout Canyon mining and reclamation plan describes the acreages associated with the different areas of disturbance of the Dugout Canyon operation. This includes the Main facilities area (20.31 acres), the leach field/pipeline area (1.8 acres), and the waste rock storage facility (26.8 acres). TASK ID #1748 contains a revised disturbed area acreage which includes the 0.97 acres associated with the disturbance associated with degasification well G-3. TASK ID#1758, (for which this review applies), contains revisions to include the 1.21 additional acreage of disturbance for degasification well G-2.

As part of the reclamation bond requirements, a reclamation agreement has been prepared and signed by both the Division and the Permittee. In order to update this reclamation agreement to include the additional 1.21 acres associated with degasification well G-2, the permittee must provide a legal description of all areas of disturbance associated with the Dugout Canyon Mine operation.

A legal description of degasification well G-2 is provided in the degasification well stand-alone document, Chapter 1, page 1-1, **TABLE 1-1, TASK ID #1642**. G-2 is described as being located in a portion of the N1/2 SW1/4 NE1/4 Section 24 of T13S, R13E.

Page 1-24 of Chapter 1 of the Dugout Canyon Mine mining and reclamation plan contains a legal description of the Waste Rock Storage Facility. Same is described as existing in “portions of NE1/4 SW1/4 and SE1/4 of the NE1/4 of Section 18, T14S, R12E, SLBM, Utah

The Dugout Canyon Mine mining and reclamation plan **does not contain a specific legal description for the disturbances associated with the main Mine facilities area, or the leach field/pipeline area**. In order for the Division to update the “Exhibit A” page of the reclamation agreement (which is the page which contains the legal descriptions of all areas of mine disturbance for which the bond is held), the permittee needs to provide the two legal descriptions mentioned.

Findings:

Information provided in the application is not considered adequate to meet the minimum requirements of the Maps, Plans, and Cross Sections of Mining Operations section of the Operation Plan regulations. Prior to approval, the Permittee must act in accordance with the following:

R645-301-512.120, The information provided within the Dugout Canyon Mine mining and reclamation plan is inadequate in that it does not contain a clear legal description of the disturbances associated with the main facilities area or the pipe line/ leach field area. That information must be provided such that the Division can update **EXHIBIT “A”** of the reclamation agreement.

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RECLAMATION PLAN

BONDING AND INSURANCE REQUIREMENTS

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

Analysis:

General

Minimum Regulatory Requirements

"The operator shall identify the initial and successive areas or increments for bonding on the permit application map and shall specify the bond amount to be provided for each area or increment. Independent increments shall be of sufficient size and configuration to provide for efficient reclamation operations should reclamation by the Division become necessary."

The permittee submitted a revised Appendix 5-6, Reclamation bond Estimate as part of the degasification wells amendment TASK ID#1642, which was approved for incorporation on September 19, 2003. The reclamation bond estimate was adjusted upward in the amount of \$52,000 to provide for the reclamation of the 2.78 acres of disturbance associated with the three degasification wells G-1, G-2, and G-3. This amendment has been submitted to adjust the disturbed area acreage for well G-2 only.

An estimate of \$25,301 has been determined as necessary to reclaim well G-2. This includes plugging the well, back filling/grading (including backfilling of mud pits), the spreading of topsoil, and roughening and re-seeding of the pad area and the 370 foot access road. The removal of the perimeter fence has also been provided.

Determination of Bond Amount

See information above.

Findings:

The minimum regulatory requirements have been addressed.

RECOMMENDATION:

The amendment cannot be approved until the permittee provides the legal descriptions necessary for updating the disturbed areas covered by the reclamation bond.